Alliance for Water Stewardship

Audit Report - Nestle Waters North America, Inc.
Sacramento, CA Water Bottling Facility
The AWS International Water Stewardship Standard, Version 1.0, April 8th, 2014

Report Issued on August 17, 2017

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Introduction to the Alliance for Water Stewardship
The AWS Standard ("the Standard") is intended to drive water stewardship, which is defined as the use of water that is socially equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that involves site- and catchment-based actions. Good water stewards understand their own water use, catchment context and shared concerns in terms of water governance, water balance, water quality and Important Water-Related Areas, and then engage in meaningful individual and collective actions that benefit people and nature. The Standard outlines a series of actions, criteria and indicators for how one should manage water at the site level and how water management should be stewarded beyond the boundaries of a site. In this Standard, the "site" refers to the implementing entity that is responsible for fulfilling the criteria. The site includes the facility and the property over which the implementer that is using or managing water (i.e., withdrawing, consuming, diverting, managing, treating and/or discharging water or effluent into the environment) has control.

Assessment Information:	
Client Name	Nestlé Waters North America, Inc. - Sacramento, CA
AWS Reference Number	AWS-010-INT-SCS-00-01-0004-0018
Client AWS Representative/Group Manager (Role/Name/Contact info)	Dave Palais, Ph.D., Natural Resource Manager; dave.palais@waters.nestle.com
Audit Team (Role/Name)	Lead Auditor: Brendan Grady, SCS Global Services Technical Expert: Isabella Polenghi-Gross, Ph.D. AMEC Foster Wheeler
Audit dates (DD-DD Month YYYY)	13-14 June, 2017
Audit Location (main site being audited)	8670 Younger Creek Drive, Sacramento, CA 95828-1043
Date(s) of previous audit (if applicable)	
Findings from previous year	☐ YES, see tab 9
SCS Certificate number (if applicable)	
Expiry date of previous certificate (if applicable)	

Scope of Audit (check all applicable boxes)	
The AWS International Water Stewardship Standard Version V1.0 April 8th 2014	
Initial audit	☑ YES
Surveillance audit	☐ YES
Re-certification audit	☐ YES
RE-evaluation audit	☐ YES
Single-site audit	☑ YES
Multi-site audit	☐ YES, see tab 3
Group audit	☐ YES, see tab 3
If yes, please description of the group structure and relationships	

Description of Operations

The NWNA Sacramento plant is a water bottling facility, producing bottled water products under the brand names of Arrowhead Mountain Spring Water and Nestlé Pure Life. The geographic scope of the site is limited to the property boundary of the facility. The facility itself is located in an industrial park in the City of Sacramento, California. Water for the bottling facility comes from several sources, including spring water delivered by truck from one of several regional springs, both inside and outside of the catchment, in order to produce bottled spring water. The site also receives water from the municipal water provider in order to produce bottled purified water.

Description of the catchment in which the client operates:

The Sacramento plant is located in the South American Groundwater Subasin and the Lower Sacramento Watershed. The AWS catchment supporting the site also includes portions of the Upper Consumnes Watershed, Upper Mokelumne Watershed, and Lower American Watershed. The catchment for the facility is approximately 734,000 acres. The plant receives source water from a variety of springs, primarily outside of the strict definition of the catchment, and municipal water from the city.

Summary of shared water challenges:

NWNA has identified the following shared water challenges, in decreasing order of priority: Public/Consumer Education, Drought/Projected Water Scarcity, Water Use Efficiency, and Water Quality/Contamination. Education was prioritized primarily because of the ripple effects that improved public awareness of water conservation would have across the catchment. Also, while the catchment is still water stressed, the formal end of the California drought has slightly lowered the priority of this shared water challenge in the eyes of stakeholders.

Audit Attendance

Guidance:
Record in this section the people attending the different parts of the audit. Tick the parts of the audit attended by each person.

Audit Attendence	*Mark attendance with an 'x' as appropriate*				
Role/Title	**Opening meeting**	**Document review**	**Interview**	**Facility Inspection**	**Closing meeting**
VP, Natural Resources, NWNA	x	x	x	x	x
Natural Resource Manager, NWNA	x	x	x	x	x
Natural Resource Manager, NWNA	x	x	x	x	x
Natural Resource Manager, NWNA	x	x	x	x	x
Geologist, Haley & Aldrich	x	x	x	x	x
QA Manager, NWNA	x	x	x	x	x
Factory Manager, NWNA	x	x	x	x	x
Springs Resource Manager, NWNA	x	x	x	x	x
Safety, Health, & Environment, NWNA	x	x	x	x	x
TPM/FI Leader, NWNA	x				
OPS Manager, NWNA	x				
HR Manager, NWNA	x		x		
Logistics Manager, NWNA	x		x		
Environmental Specialist, NDIC	x	x	x	x	
Corporate Environmental Manger, NUSA	x	x	x	x	x

Additional information on audit attendance

The AWS International Water Stewardship Standard, Version 1.0, April 8th, 2014

Criterion #	Standard Provision or Requirement	Major Minor Observation Conforming	Objective Evidence/Notes
STEP 1: COMMIT			
Criterion 1.1	1.1 Establish a leadership commitment on water stewardship: Have the senior-most manager at the site, and if necessary a suitable individual within the corporate head office, sign and publicly disclose a commitment to: • Uphold the AWS water stewardship outcomes (good water governance, sustainable water balance, good water quality status and healthy status of Important Water- Related Areas); • Engage stakeholders in an open and transparent manner; • Strive to comply with legal and regulatory requirements • Respect water-related rights, including ensuring appropriate access to safe water, sanitation and hygiene for all workers in all premises under the site's control; • Support and coordinate with public sector agencies in the implementati on of plans and policies, including working together towards meeting the human right to water and sanitation. • Continually improve and adapt the site's water stewardship actions and plans; • Maintain the organizationa l capacity necessary to successfully implement the AWS Standard, including ensuring that staff have the time and resources necessary to undertake the implementati on; • Support water-related national and international treaties; • Disclose material on water-related information to relevant audiences.		
	1.1.1 Signed and publicly disclosed statement that explicitly covers all requirements (see details in Criterion 1.1)	C	A pledge was reviewed, signed by the site factory manager, containing all elements described in this criterion.
Criterion1.2	1.2 Develop a water stewardship policy: Develop an internally agreed-upon and communicated and publicly available water stewardship policy that references the concept of water stewardship (as informed by the AWS Standard, outcomes and criteria).		
	1.2.1 Publicly available policy that meets all requirements (see Guidance)	C	Nestle's corporate water stewardship policy "Nestle and Water: Sustainability, Protection, and Stewardship" extensively discusses Nestle's commitment to sustainable water use. The policy is publicly available on the Nestle website.
STEP 2: GATHER & UNDERSTAND			
Criterion 2.1	2.1 Define the physical scope: Identify the site's operational boundaries, the sources the site draws its water from, the locations where the site returns its discharge to, and the catchment(s) that the site affect(s) and is reliant upon.		
	2.1.1 Documentation or map of the site's boundaries	C	A map of the site was reviewed. The map includes the property boundaries of the factory, as well as discharge. No wells or pipelines are included in the map. The property used by NWNA factory is shared by a freight and logistics company.
	2.1.2 Names and location of water sources, including both water service provider (if applicable) and ultimate source water	C	A map with the names and locations of water sources was provided. The Sacramento facility receives spring water from up to four different springs, as well as the Sacramento municipal water system.
	2.1.3 Names and location of effluent discharge points, including both water service provider (if applicable) and ultimate receiving water body	C	The site map includes discharge points and a description of the receiving bodies. Wastewater discharge primarily goes to Sacramento Regional Wastewater Treatment Plant (SRWTP).
	2.1.4 Geographical description or map of the catchment(s)	C	A map of the site catchment was provided. The catchment for the Sacramento facility is approximately 734,000 acres, contained within the Sacramento River Basin

Criterion 2.2	2.2 Identify stakeholders, their water-related challenges and the site's sphere of influence: Identify stakeholders, document their water-related challenges and explain how the stakeholders are within the site's sphere of influence.		
	2.2.1 List of stakeholders, descriptions of prior engagements and summaries of their water-related challenges *(TCW in Guidance)*	OBS	A list of stakeholders was provided as part of the audit. Stakeholder focus for this site has primarily been on local stakeholders concerned with the Sacramento facility rather than Nestle's national or international ones. NWNA has also developed a corporate initiative for stakeholder mapping (called Community Relations Process) to better understand the local community. The site underwent a stakeholder mapping exercise, ranking stakeholders by Influence and Interest; interviews were conducted by NWNA with all identified and interested stakeholders regarding the AWS process. Interviews were conducted by NWNA with all identified and interested stakeholders regarding the AWS process. A series of other initiatives was discussed including: offering voluntary cooperation when the City of Sacramento implemented water restrictions during the drought; offering education programs and school tours (these educational programs are now part of a standardized NWNA program); hiring a community outreach manager to improve the communication with the public; donating to the Red Cross and other organizations providing emergency response support during natural disasters. The audit team conducted interviews with neighboring businesses, representatives of local Environmental NGOs and public utilities providing services to the site. OBS 2017.2 was issued.
	2.2.2 Description of the site's sphere of influence	C	A sphere of influence was provided, although the guidance to the standard allows for this requirement to be met by providing a list of the stakeholders ability to influence or be influenced by the site (Indicator 2.2.1).
Criterion 2.3	2.3 Gather water-related data for the catchment: Gather credible and temporally relevant data on the site's catchment's x Water governance, including catchment plan(s), water-related public policies, major publicly led initiatives under way, relevant goals, and all water-related legal, regulatory requirements; x Water balance for all sources while considering future supply and demand trends; x Water quality for all sources while considering future physical, chemical and biological quality trends; x Important Water-Related Areas, including their identification and current status, while considering future trends; x Infrastructure's current status and exposure to extreme events while considering expected future needs. *(TCW in Guidance)*		
	2.3.1 List of relevant aspects of catchment plan(s), significant publicly led initiatives and/or relevant water-related public policy goals for the site *(TCW in Guidance)*	C	A list of Sacramento Governance and Site Linkages was provided, including list of different catchment plans, public policy goals and site level opportunities.
	2.3.2 List, and description of relevance, of all applicable water-related legal and regulatory requirements, including legally defined and customary water rights and water-use rights	C	A list of state and local permits and regulatory requirements was reviewed, including permits issued by public health department, Regional Water Quality Control Board (Central Valley), and other regulatory agencies. List of legal and other requirements were also reviewed. During the audit the NPDES Stormwater Permit was listed with a current date issued of 7/1/15, but a later permit was checked to be current and valid on 7/12/17.

	2.3.3 Catchment water balance by temporally relevant time unit and commentary on future supply and demand trends *(TCW in Guidance)*	OBS	A catchment water balance was provided. However, catchment water balance data was in some cases presented as a multi-year average. This could have the effect of muting evidence of trends. Guidance in the standard suggests a goal of monthly data collection in order to maintain temporally relevant data. The most recent information available is from 2015 (precipitation is provided as a 30-year average and South American River Basin inflow/outflow are annual values 2004-2015; and so are the supply values vs. demand values). Data for 2016 was not available yet and NWNA has put in a request to the relevant authority). Some monthly data was provided up through 2010, which pre-dated the state drought. If such data is not available, the site should work with public sector agencies to develop it before the next renewal assessment in three (3) years. OBS 2017.3 was issued.
	2.3.4 Appropriate and credibly measured data to represent the physical, chemical and biological status of the site's water source(s) by temporally relevant time unit, and commentary on any anticipated future changes in water quality	C	All water sources undergo annual quality testing. Historical annual sampling data was checked and found to be within the acceptable water quality limits. Commentary on water quality sources indicates that no future changes are anticipated.
	2.3.5 Documentation identifying Important Water-Related Areas, including a description of their current status and commentary on future trends *(TCW in Guidance)*	OBS	List of IWRA sites originally proposed by NWNA was presented and had been reviewed with stakeholders. There is no explanation as to how they are relevant and water related. OBS 2017.4 was issued: Important Water Related Areas were designated by NWNA. However, designation of these could be improved through stakeholder consultation as to the accuracy of the IWRAs or a better explanation of why particular IWRAs are so classified. For example, local disadvantaged communities have been designated as an IWRAs. DACs are defined by communities with a median household income of less then 80 percent of the statewide average. Affordability of water in such communities is a concern, but is being managed by relevant water authorities. See indicator 4.1.2. While such community areas would be affected by access to clean water, its not clear that the communities themselves should be IWRA designated.
	2.3.6 Existing, publicly available reports or plans that assess water-related infrastructure, preferably with content exploring current and projected sufficiency to meet the needs of water uses in the catchment, and exposure to extreme events *(TCW in Guidance)*	C	A reference document was provided with a list of publically available reports of water-related infrastructure. In the case of extreme events, NWNA would likely be called upon to supply water in emergency response.
Criterion 2.4	2.4 Gather water-related data for the site: Gather credible and temporally relevant data on the site's: x Governance (including water stewardship and incident response plan); x Water balance (volumetric balance of water inputs and outputs); x Water quality (physical, chemical and biological quality of influent and effluent) and possible sources of water pollution; x Important Water-Related Areas (identification and status); x Water-related costs (including capital investment expenditures, water procurement, water treatment, outsourced water-related services, water-related R&D and water-related energy costs), revenues and shared value creation (including economic value distribution, environmental value and social value).		
	2.4.1 Copies of existing water stewardship and incident response plans *(TCW in Guidance)*	C	Reviewed incident response plan contained as part of the Stormwater Pollution Prevention Plan (SWPPP); Spill Prevention Control and Countermeasure Plan. Interviewed staff responsible if a spill occurs. Staff is trained to do initial containment by placing berms or mats/covers on storm drains. NWNA does not do spill cleanup themselves, but contracts with a specialist (Safety - Kleen). Reporting mechanism continues with city, state, or Federal notification as needed depending on nature of contaminant. The SWPP is a state wide report that is customized for the Sacramento facility and their own BMPs. No incident has occurred in the last 4 years. According to NWNA SWPPP (dated June 1, 2015), two significant spills happened in 2010 and 2012 and appropriate corrective actions were implemented. BMPs are listed in the SWPPP and implemented.

	2.4.2 Site water balance (in Mm3 or m3) by temporally relevant time unit and water-use intensity metric (Mm3 or m3 per unit of production or service) *(TCW in Guidance)*	C	All NWNA sites are required to create water maps containing inputs and outputs of water at each facility. These water maps include metering at each stage of the bottling process. Data is recorded continuously (daily) and then summed at a monthly level. NWNA's water mapping process was identified as a best practice tool by interested stakeholders during NWNA's consultation process.
	2.4.3 Appropriate and credibly measured data to represent the physical, chemical and biological status of the site's direct and outsourced water effluent by temporally relevant time unit, and possible pollution sources (if noted) *(TCW in Guidance)*	C	Reviewed analytical reports of wastewater effluent. Quarterly they are required for their NPDES to send grab samples to the lab for oil and grease, VOCs, and other constituents. NWNA is notified and must respond if the effluent quality is out of required limits (e.g. if pH exceeds certain amount).
	2.4.4 Inventory of all material water-related chemicals used or stored on-site that are possible causes of water pollution	C	A list of all on-site chemicals was provided. Chemical storage was inspected during audit of the facility.
	2.4.5 Documentation identifying existing, or historic, on-site Important Water-Related Areas, including a description of their status	C	No on-site IWRAs were identified.
	2.4.6 List of annual water-related costs, revenues and description/quantification of social, environmental or economic value generated by the site to the catchment	NC	Finances are compiled and reviewed by NWNA corporate headquarters. Normally data is reviewed regionally or at the product level, not at the level of individual sites such as the Sacramento facility. CAR 2017.1 was issued: The standard asks for a list of annual water-related costs, revenues and description/quantification of social, environmental or economic value generated by the site to the catchment. Site level costs were presented, however economic value is tracked at a product level and specific data was not presented. Social and environmental values were also not described or quantified. Thus a true cost benefit analysis of the site to the catchment was not completed.
Criterion 2.5	2.5 Improve the site's understanding of its indirect water use: Identify and continually improve the site's understanding of: x Its primary inputs, the water use embedded in the production of those primary inputs and, where their origin can be identified, the status of the waters at the origin of the inputs; x Water used in outsourced water-related services within the catchment. *(TCW in Guidance)*		
	2.5.1 List of primary inputs with their associated embedded annual (or better) water use and (where known) their country/region/or catchment of origin with its level of water stress	C	A list of inputs was created as part of a water footprinting analysis. Analysis includes source water for bottling as well as water use associated with packaging, transportation, cooling, and end of life. During the audit, the team reviewed a detailed footprint analysis of the water embedded in all the products used. This analysis showed that there is a clear decreasing trend from 2007 to 2013. Water from springs outside of the catchment is accounted for in the site's list of primary inputs. Water stress levels for these inputs are similar to those in the catchment.
	2.5.2 List of outsourced services that consume water or affect water quality and both (A) estimated annual (or better) water withdrawals listed by outsourced services (Mm3 or m3) and (B) appropriate and credibly measured data to represent the physical, chemical and biological status of the outsourced annual (or better) water effluent	C	Documentation provided shows values of water withdrawals and availablility, calculates the blue water scarcity value and scores to grade the water stress caused. Sacramento facility has a very low score (low water stress) based on WRI's Aqueduct model. The list of companies who responded to NWNA request for indirect water use was provided (6 out of 22 companies responded and water usage data were compiled for 4 of them). Factory effluent is outsourced to Regional San. The physical amount of discharge is captured in the monthly factory water map and wastewater report . The chemical and biological qualities of water discharged from the factory to Regional San, Regional San's average influent values, treated values, discharged values, and receiving water body values are presented on an annual basis.
Criterion 2.6	2.6 Understand shared water-related challenges in the catchment: Based upon the status of the catchment and stakeholder input, identify and prioritize the shared water-related challenges that affect the site and that affect the social, environmental and/or economic status of the catchment(s). In considering the challenges, the drivers of future trends and how these issues are currently being addressed by public-sector agencies must all be noted.		

	2.6.1 Prioritized and justified list of shared water challenges that also considers drivers and notes related to public-sector agency efforts *(TCW in Guidance)*	C	A prioritized list of shared water challenges was provided, with public education being the number one challenge and drought number two. Other SWC include drought, water quality, and water use efficiency. They indicated that difference in the priorities, which may influence how they choose to invest resources in addressing the challenges.
Criterion 2.7	2.7 Understand and prioritize the site's water risks and opportunities: Based upon the status of the site, existing risk management plans and/or the issues identified in 2.6, assess and prioritize the water risks and opportunities affecting the site. *(TCW in Guidance)*		
	2.7.1 Prioritized list of water risks facing the site, noting severity of impact and likelihood within a given time frame	C	A prioritized list of water risks for the site was provided, matching the shared water challenges, their priority, and opportunities (drought, water quality, public education, and water use efficiency). Risks were prioritized based on the severity of their impact and likelihood of occurrence.
	2.7.2 Prioritized list of water-related opportunities for the site	C	A prioritized list of water opportunities was also provided, matching the risks. For example, better management of water resources is listed as a potential response to the water risk of drought.
	2.7.3 Estimate of potential savings/value creation	C	Selected water project savings and value creations were quantified.
STEP 3: PLAN			
Criterion 3.1	3.1 Develop a system that promotes and evaluates water-related legal compliance: Develop, or refer to, a system that promotes and periodically evaluates compliance with the legal and regulatory requirements identified in Criterion 2.3.		
	3.1.1 Documented description of system, including the processes to evaluate compliance and the names of those responsible and accountable for legal compliance *(TCW in Guidance)*	C	NWNA/Sacramento AWS Compliance matrix was reviewed with individual permits. An annual environmental audit is conducted every year to ensure that compliance is met. An external consultant is dedicated to preparing NWNA for the audits.
Criterion 3.2	3.2 Create a site water stewardship strategy and plan: Develop an internally available water stewardship strategy and plan for the site that addresses its shared water challenges, risks and opportunities identified in Step 2 and that contains the following components (see Guidance for plan template): x a strategy that considers the shared water challenges within the catchment, water risks for the site (noting in particular where these are connected to existing public-sector agency catchment goals) and the site's general response (from Criteria 2.6 and 2.7) x a plan that contains: o A list of targets (based upon Criterion 2.7) to be achieved, including how these will be measured and monitored. Note: where identified as a shared water challenge, these targets must be continually improving for the four water stewardship outcomes until such time as best practice is achieved; o A list of annual actions that links to the list of targets; o A budget for the proposed actions with cost/benefit financial information (based, in part, upon financial data from 2.7); o An associated list indicating who will undertake the actions (i.e., who is responsible for carrying out the work) and who will ensure that the work is completed (i.e., who is accountable for achieving the target), including actions of other actors in the catchment; o A brief explanation that speaks to how the proposed actions will affect: (A) water-risk mitigation, (B) water stewardship outcomes and (C) shared water challenges.		
	3.2.1 Available water stewardship strategy	C	A water stewardship strategy was created as part of the AWS process. It is a short document, discussing higher level shared water challenges, such as public education and drought, and laying out key objectives to be developed in more detail in the water stewardship plan.

	3.2.2 Available plan that meets all component requirements and addresses site risks, opportunities and stakeholder shared water challenges *(TCW in Guidance)*	OBS	A detailed water stewardship plan was created as part of the AWS process. The plan is broken into objectives, targets, and actions. There are different actions corresponding to different targets, each with their own metrics, budget, responsible person, status, and other criteria. OBS 2017.7 was issued: The targets and objectives identified in the site water stewardship plan do not all follow the best practice of framing SMART targets (Specific, Measurable, Achievable, Realistic and Time-based).
Criterion 3.3	3.3 Demonstrate responsiveness and resilience to water-related risks into the site's incident response plan: Add to or modify the site's incident response plan to be both responsive and resilient to the water-related risks facing the site.		
	3.3.1 A description of the site's efforts to be responsive and resilient to water-related issues and/or risks in an appropriate plan *(TCW in Guidance)*	C	Existing incident response plans for the plant were already in place for water risks such as chemical spills. NWNA created a Northern California Drought Contingency plan to evaluate alternate sources of water for the factory during drought conditions. Additional spring sources in the Eastern Sierra and Napa County are identified as emergency backups, and would require start up sanitation procedures before they were used.
Criterion 3.4	3.4 Notify the relevant (catchment) authority of the site's water stewardship plans: Contact the appropriate catchment authority/agency (if any) and inform them of the site's plans to contribute to the water stewardship objectives of their catchment plan as identified in Criterion 2.3. *(TCW in Guidance)*		
	3.4.1 Documented evidence of communicating the site's plan to the relevant catchment authority/agency	C	Auditors reviewed the AWS outreach log, including communications with catchment authorities about the AWS process, including Regional Sanitation department (SAN) and the Sacramento Area Sewer district. Interest from the catchment authority in the site has been quite low, as the facility is a relatively small water user.
STEP 4: IMPLEMENT			
Criterion 4.1	4.1 Comply with water-related legal and regulatory requirements and respect water rights: Meet all applicable legal and regulatory requirements related to water balance, water management and Important Water-Related Areas as well as water-related rights. As noted in Criteria 1.1 and 3.2, where, through its water use, the site is contributing to an inability to meet the human right to safe drinking water and sanitation, the site must also continually work with relevant public sector agencies until this basic human right to water and sanitation is fulfilled.		
	4.1.1 Documentation demonstrating compliance *(TCW in Guidance)*	C	Site level compliance matrix was provided, along with copy of the annual site environmental audit report and a List of Legal and Other Requirements.
	4.1.2 (Catchments with stakeholders who have an unmet human right to safe drinking water and sanitation) Documentation of efforts to work with relevant public sector agencies to fulfill human right to safe drinking water and sanitation.	NA	A review of the American River Basin Integrated Water Resources Plan identifies that there are economically disadvantaged communities within the catchment. DACs are defined by communities with a median household income of less then 80 percent of the statewide average. However it confirms that the water supply and water quality needs of the communities are "generally served effectively by water agency efforts..." see *IRWM A plan for the American River Basin 2013 Update.* A variety of fee deferral assistance programs exist to address water affordability issues. So, while, disadvantaged communities exist in the catchment, it is unlikley that there are unmet human rights to safe drinking water and sanitation in the catchment.

Criterion 4.2	4.2 Maintain or improve site water balance: Meet the site's water balance targets. As noted in Criterion 3.2., where water scarcity is a shared water challenge, the site must also continually decrease its water withdrawals until best practices are met and work with relevant public sector agencies to address the imbalance and shared water challenge. Note: if a site wishes to increase its water use in a water scarce context, the site must cause no overall increase in water scarcity in the catchment and depletion of the site's water source(s) and encourage relevant public sector agencies to address the unlawful water use contributing to the imbalance in the catchment. *(TCW in Guidance)*		
	4.2.1 Measurement-based evidence showing that targets have been met	C	The site has currently been improving water balance through reductions in water use outside of source water use (e.g.: a wastewater reuse project implemented in April 2016 saved 4,500,000 gal/yr domestic water; a Reverse Osmosis concentrate recirculation project implemented in Dec 2016 saved 470,000 gal/yr of domestic water; Line 1 filler optimization started in Q4 of 2016 saved 14,000 gal/yr of domestic water; and RO efficiency increased from 80 to 86%). NWNA's goal in the plan is to decrease their water use ratio.
	4.2.2 (Water scarce catchments only) Evidence of continual decrease or best practice	C	The site is within a water scarce catchment. There are no certain plans to increase water use at the site. NWNA planning for product increase is done at the brand level, not the site level. So, it's not clear whether this particular site would increase or maintain its water use in the future.
	4.2.3 (Sites wishing to increase withdrawals in water scarce catchments only) Evidence of no net increase in water scarcity	C	See 4.2.2
Criterion 4.3	4.3 Maintain or improve site water quality: Meet the site's water quality targets. As noted in Criterion 3.2., where water quality stress is a shared water challenge, the site must also continually improve its effluent for the parameters of concern until best practices are met and work with relevant public sector agencies to address the imbalance and shared water challenge. Note: if a site wishes to increase its water use in a water stressed context, the site must cause no overall increase in the degradation of water quality in the catchment and degradation of the site's water source(s) and encourage relevant public sector agencies to address the unlawful water use contributing to the degradation in the catchment.		
	4.3.1 Measurement-based evidence showing that targets have been met	C	Measurement system is in place for water quality targets throughout the site, data from previous monitoring reports was reviewed. Annual review of incoming data was found to be within historic trends and values. Water monitoring protocol was discussed with lab manager. Wastewater results are within permitted values.
	4.3.2 (Water quality-stressed catchments only) Evidence of continual improvement or best practice	C	Water quality has been identified as a shared water challenge within the catchment, albeit a low priority challenge. There are locations within the catchment where water quality requires monitoring and treatement, although public sector water management plans for the area confirm that in general groundwater meets primary and secondary drinking water standards. Evidence of continual improvement or best practices in order to confirm with this indicator will need to be assessed at a surveillance audit using the 2017 assessment as a baseline.
	4.3.3 (Sites wishing to increase effluent levels of water quality parameters of concern in water quality-stressed catchments only) Evidence of no net degradation in water quality in the catchment	NA	Not applicable, water quality is not a shared water challenge in this context

Criterion 4.4	4.4 Maintain or improve the status of the site's Important Water-Related Areas: Meet the site's targets for Important Water-Related Areas at the site. As noted in Criterion 3.2., where Important Water-Related Area degradation is a shared water challenge, the site must also continually improve its Important Water-Related efforts until best practices are met, and the site must not knowingly cause any further degradation of such areas on site. *(TCW in Guidance)*		
	4.4.1 Documented evidence showing that targets have been met	NA	No IWRAs are present on the site, so this criterion is inapplicable. However, there is postive evidence of NWNA's contribution to IWRA identification in the catchment. Catchment IWRAs have been identified together with their status, future trends and site status. IWRAs are discussed in AWS presentations to stakeholders. Progress towards implementation of IWRA plans include a) positive participation in good water governance (meetings with City of Sacramento Water Dept) and b) participation in river clean-ups, monetary & product donations, and volunteer participation for the American River Parkway Foundation.
	4.4.2 (Degraded Important Water-Related Area catchments only) Evidence of continual improvement or best practice	NA	IWRAs are not identified as a shared water challenge in the catchment.
Criterion 4.5	4.5 Participate positively in catchment governance: Continually coordinate and cooperate with any relevant catchment management authorities' efforts. As noted in Criterion 3.2, where water governance is a shared water challenge, the site must also continually improve its efforts until best practices are met *(TCW in Guidance)*		
	4.5.1 Documented evidence of the site's ongoing efforts to contribute to good catchment governance	C	Evidence includes positive participation in good water governance (meetings with City of Sacramento Water Dept and Sanitation District).
	4.5.2 (Weak water governance catchments only) Evidence of continual improvement or best practice	NA	Water governance is not identified as a shared challenge.
Criterion 4.6	4.6 Maintain or improve indirect water use within the catchment: Contact the site's primary product suppliers and water-related service providers located in the catchment and request that they take actions to help contribute to the desired water stewardship outcomes.		
	4.6.1 List of suppliers and service providers, along with the actions they have taken as a result of the site's engagement relating to indirect water use	C	A list of national and catchment level suppliers and outsource service providers was prepared. The majority of input providers have compiled water usage data.
Criterion 4.7	4.7 Provide access to safe drinking water, adequate sanitation and hygiene awareness (WASH) for workers on-site: Ensure appropriate access to safe water, effective sanitation and protective hygiene for all workers in all premises under the site's control.		
	4.7.1 List of actions taken to provide workers access to safe water, effective sanitation and protective hygiene (WASH) on-site *(TCW in Guidance)*	C	NWNA uses a self-assessment tool at each site to review access to drinking water, sanitation and hygiene awareness (WASH). The nature of the product made at the facility requires strict adherence to these principals. Pledged compliance was achieved within the Sacramento facility.
Criterion 4.8	4.8 Notify the owners of shared water-related infrastructure of any concerns: Contact the owners of shared water-related infrastructure and actively highlight any concerns the site may have in light of its risks and shared water challenges.		
	4.8.1 List of individuals contacted and key messages relayed *(TCW in Guidance)*	C	Shared water-related infrastructure on this site is limited on this site to infrastructure related to the building itself. Stakeholder interviews demonstrate NWNA has had discussions with the city and neighboring business about reducing irrigation of landscaping as an opportunity for water savings, for example.
STEP 5: EVALUATE			

Criterion 5.1	5.1 Evaluate the site's water stewardship performance, risks and benefits in the catchment context: Periodically review the site's performance in light of its actions and targets from its water stewardship plan to evaluate: x General performance in terms of the water stewardship outcomes (considering context and water risks), positive contributions to the catchment, and water-related costs and benefits to the site. *(TCW in Guidance)*		
	5.1.1 Post-implementation data and narrative discussion of performance and context (including water risk)	C	Initial post-implementation performance data was reviewed. Cost/benefit data was available for some targets but not all. A general description column includes narrative discussion about the targets.
	5.1.2 Total amount of water-related costs, cost savings and value creation for the site based upon the actions outlined in 3.2 (drawn from data gathered in 2.4.6)	C	As the AWS standard is still in its initial implementation phase, this will be reviewed in more detail during future assessments. Cost/benefit data was available for some targets but not all.
	5.1.3 Updated data for indicator 2.4.7 on catchment shared value creation based upon the actions outlined in 3.2	C	As the AWS standard is still in its initial implementation phase, this will be reviewed in more detail during future assessments. NWNA was already doing a significant amount of outreach in their catchment, AWS incentivized them to formalize the process.
Criterion 5.2	5.2 Evaluate water-related emergency incidents and extreme events: Evaluate impacts of water-related emergency incidents (including extreme events), if any occurred, and determine effectiveness of corrective and preventive measures. Factor lessons learned into updated plan.		
	5.2.1 Documented evidence (e.g., annual review and proposed measures)	C	No water related emergency events occurred in the past 4 years (most recent significant spills happened in 2010 and 2012 as documented in the NWNA SWPPP, dated June 1, 2015: appropriate corrective actions were implemented). A drought mitigation plan is in place. No shutdown occurred that was water related. The annual environmental reviews document these emergency events, if any.
Criterion 5.3	5.3 Consult stakeholders on water-related performance: Request input from the site's stakeholders on the site's water stewardship performance and factor the feedback/lessons learned into the updated plan.		
	5.3.1 Commentary by the identified stakeholders *(TCW in Guidance)*	C	Stakeholder comments were summarized particularly in response to implementation of the AWS standard. In general NWNA has talked to stakeholders about AWS, but they do not get much interest unless stakeholders find some business connection to the standard. The Sacramento Regional County Sanitation District (RegionalSan), for example, was impressed with the NWNA water map and asked to use it as an example to their customers.
Criterion 5.4	5.4 Update water stewardship and incident response plans: Incorporate the information obtained into the next iteration of the site's water stewardship plan. Note: updating does not apply for initial round of Standard implementation.		
	5.4.1 Modifications to water stewardship and incident response plans incorporating relevant information *(TCW in Guidance)*	NA	This criterion will be reviewed during future assessments. One of the updates to the plan they did at beginning of 2017, is to change the focus from the city of water department (which was not interested in NWNA or AWS) to the RegionalSan who had more interest.
STEP 6: COMMUNICATE & DISCLOSE			
Criterion 6.1	6.1 Disclose water-related internal governance: Publicly disclose the general governance structure of the site's management, including the names of those accountable for legal compliance with water-related laws and regulations.		
	6.1.1 Disclosed and publicly available summary of governance at the site, including those accountable for compliance with water-related laws and regulations *(TCW in Guidance)*	C	An organizational chart listing key personnel is available upon request and is presented during facility open houses and public meetings. Alahambra, Ceva, RegionalSan, SMUD, City of Sacramento, Water Building Management, building ownership, internal stakeholders, SacPD, and a few others are on the list

	6.2 Disclose annual site water stewardship performance: Disclose the relevant information about the site's annual water stewardship performance, including results against the site's targets. *(TCW in Guidance)*		
	6.2.1 Disclosed summary of site's water stewardship results	C	A stakeholder presentation was reviewed, discussing the sites water stewardship performance. The stakeholder presentation was most recently given to catchment water managers just prior to the assessment. Alahambra, Ceva, RegionalSan, SMUD, City of Sacramento, Water Building Management, building ownership, internal stakeholders, SacPD, and a few others are on the list.
	6.3 Disclose efforts to address shared water challenges: Publicly disclose the site's shared water challenges and report on the site's efforts to help address these challenges, including all efforts to engage stakeholders and coordinate and support public-sector agencies. *(TCW in Guidance)*		
	6.3.1 Disclosed and publicly available description of shared challenges and summary of actions taken to engage stakeholders (including public-sector agencies)	C	A stakeholder presentation was reviewed, discussing the sites water stewardship performance. The stakeholder presentation was most recently given to stakeholders prior to the assessment. Consultation by the audit team confirmed that this was the case.
	6.4 Drive transparency in water-related compliance: Make any site water-related compliance violations available upon request as well as any corrective actions the site has taken to prevent future occurrences. Note: any site-based violation that can pose an immediate material threat to human or ecosystem health from use of or exposure to site-related water must be reported immediately to relevant public agencies.		
	6.4.1 Available list of water-related compliance violations with corresponding corrective actions	C	All violations are publicly available through state reporting. No wastewater permit violations are recorded at the RegionalSan for the NWNA Sacramento facility.
	6.5 Increase awareness of water issues within the site: Strive to raise the understanding of the importance of water issues at the site through active communications.		
	6.5.1 Record of awareness efforts (dates and communication) and, if possible, level of awareness *(TCW in Guidance)*	C	Plant-wide meetings include AWS references, including water related concerns within the factory. All CA staff were given drought kits. Monthly presentations to all their staff. They have sign in sheets available of training for AWS awareness.

Audit Non-conformities and Observations

Guidance

Disclaimer: auditing is based on a sampling process of the available information and therefore nonconformities may exist which have not been identified.

Observations are defined as an area of concern regarding a process, document, or activity where there is opportunity for improvement.

Major non-conformity is raised if the issue represents a systematic problem of substantial consequence; the issue is a known and recurring problem that the client has failed to resolve; the issue fundamentally undermines the intent of the AWS Standard; or the nature of the problem may jeopardize the credibility of AWS.
Applicants must close* major NCR within Ninety (90) days of the NCR issue date. Failure to meet this deadline will require another conformity assessment.
Certificate Holders must close* major NCR within Thirty (30) days of the NCR issue date. If the Major NCR is not addressed within 30 days SCS shall suspend or withdraw the certificate and reinstatement shall not occur before another conformity assessment has been successfully completed.

Minor non-conformity: Where the audit team has evaluated an audit finding and determines that the seriousness of the issue does not meet the any of the criteria for Major non-compliance the audit team shall grade the finding as a minor non-conformity.
Applicants must submit an acceptable corrective action plan^ to address all minor non-conformities to be recommended for certification.
Certificate Holders must close minor NCR within Ninety (90) days of the NCR issue date. SCS may agree to an alternative time frame with the client as long as this can be justified and is documented in the NCR report.
If corrective actions are inadequate to resolve a minor non-conformity by the time of the next scheduled audit, SCS shall upgrade the audit finding to a major non- conformity.
If an unusually large number of minor non-conformities are detected during the course of a single audit, the audit team may at their discretion raise a major non-conformity to reflect a systematic failure of the client's management system to deliver conformity with the AWS Standard.

** closed = actioned by the client, corrections & corrective actions verified and closed by the auditor.*
^The corrective action plan shall include an analysis of the root cause of the minor non-conformity; the specific corrective action(s) to address the minor non-conformity; and an appropriate time frame to implement corrective action(s).

NC #	Criteria / Indicator #	Major – Detail on Non Conformance	Due Date (XX calendar Days)	Root Cause Analysis and Corrective Action Taken

NC #	Section #	Minor – Detail on Non Conformance	Due Date (XX calendar Days)	Corrective Action Taken
2017.1	**2.4.6**	**The standard asks for a list of annual water-related costs, revenues and description/quantification of social, environmental or economic value generated by the site to the catchment. Site level costs were presented, however economic value is tracked at a product level and specific data was not presented. Social and environmental values were also not described or quantified. Thus a true cost benefit analysis of the site to the catchment was not completed.**	**11-Oct-17**	**Root Cause Analysis:** Currently, the company tracks financial data by total brand values and not at a factory-specific level. However, costs and revenues presented in 02.04.06_WF34_AWS_v1.pdf represent the financial data as specifically attributed to the Sacramento factory, where possible. **Corrective Action:** Revised water-related costs and revenues will be presented and/or estimated for the Sacramento site, where possible and where company determines proprietary information is not required to be disclosed. Explicit references will be made regarding social and environmental values provided to the catchment.

OBS #	Section #	Observation – Detail on Opportunity for Improvement	Due Date	Corrective Action Taken
2017.2	**2.2.1**	**While consultations with stakeholders and audit records evidenced active communication between NWNA on water related topics, stakeholders were largely unfamiliar with the specific AWS concepts such as shared water challenges. General understanding of AWS concepts amongst stakeholders could be improved.**		**Note:** We understand the observation and will take the advice under consideration. No Corrective Action Plan required.
2017.3	**2.3.3**	**Catchment water balance data was in some cases presented as a multi-year average, which could have the effect of muting evidence of trends. Guidance in the standard suggests a goal of monthly data collection in order to maintain temporally relevant data. If such data is not available, the site should work with public sector agencies to develop it before the next 3 year assessment.**		**Note:** We understand the observation and will take the advice under consideration. Publicly available data in Catchment plans provides relevant data on an annual basis and was presented in 02.03.03_WF34_AWS_v1.pdf. We will work with public sector agencies to gather monthly data prior to the next renewal assessment. No Corrective Action Plan required.
2017.4	**2.3.5**	**Important Water Related Areas were designated by NWNA. However, designation of these could be improved through stakeholder consultation as to the accuracy of the IWRAs or a better explanation of why particular IWRAs are so classified. For example, local disadvantaged communities have been designated as an IWRAs. While such community areas would be affected by access to clean water, its not clear that the communities themselves should be IWRA designated.**		**Note:** We understand the observation and will take the advice under consideration. No Corrective Action Plan required.
2017.5	**3.2.2**	**The targets and objectives identified in the site water stewardship plan do not all follow the best practice of framing SMART targets (Specific, Measurable, Achievable, Realistic and Time-based).**		**Note:** We understand the observation and will take the advice under consideration. No Corrective Action Plan required.

Certification Decision

Guidance
The recommendation section to be filled out by the auditor with optional comments. The Certification Decision section is to be completed by the SCS's decision-making entity after initial, re-certification and re-evaluation audits. Details of the decision making entity and any observations or further details can be included in the comments field.

Auditor's recommendation for initial, continued or re-certification based on compliance with requirements:	**X**	Initial/Continued Certification **Recommended**
		Initial/Continued Certification **Not Recommended**
Level of certification recommended (if applicable):	**X**	AWS Core
		AWS Gold
		AWS Platinum
Comments (e.g. justification for change in certification level, recommendations for sampling):		

To be completed by the SCS Decision-Making Entity	**SCS Certification Decision:**	**X**	**Approved - July 25, 2017**
			Denied
	Certification decision by:	*Nicole Muñoz, Managing Director*	
	Technical Review by:	*Nicole Muñoz, Managing Director*	
	Date of decision:	25 July 2017	
	Surveillance schedule:	**Next audit is scheduled for** *(include range)* **: June 2018, no later than July 14, 2018**	